

SAYS STEEL HAD FAVORS

Commerce Commission Investigating Alleged Rebates.

RAILROAD HEADS CONFER

Many See Commissioner Lane in Washington—Unlawful Practices Denied.

Washington, Nov. 1.—It was learned today that the Interstate Commerce Commission has quietly been conducting an extended investigation into discriminations and special privileges which are alleged to be made principally in favor of the United States Steel Corporation and some of its subsidiaries by railroads which transport iron ore from ports on the Great Lakes. Officials of a dozen railroads came here for a conference with Commissioner Lane, who has been directing the inquiry.

James McCrory, president of the Pennsylvania; J. H. Reed, president of the Bessemer & Lake Erie; J. H. Clarke, general counsel for the New York, Chicago & St. Louis (the Nickel Plate), and Charles F. Daly, vice-president of the Lake Shore & Michigan Southern, headed the delegation. These four roads are under indictment charged with violating the Elkins law through discriminations in dock charges at Ashtabula and Conneaut, Ohio, by which the government alleges more than \$78,000 was rebated by the Bessemer to the Carnegie Steel Company between January, 1908, and July, 1909, and by which the Pennsylvania is also alleged to have rebated \$13,000 to subsidiaries of the Steel Corporation.

Dan R. Hanna and R. L. Ireland, of Cleveland, officials of the M. A. Hanna Company, and D. T. McCabe of Pittsburgh, vice-president of the Pennsylvania lines, were indicted at the same time, charged with conspiracy to violate the law.

Neither the railroad men nor officials of the commission would make any statement, but it is known that the government's investigators allege that certain practices in the handling of iron ore at lake docks have the appearance of discrimination in favor of large shippers.

The Mutual Alliance Trust Company has issued a call for a special meeting of the stockholders on November 15 to vote upon a proposition to increase the capital stock of the company to \$1,000,000. It was thought in banking circles that this might be a preliminary step by the institution toward seeking admission to the New York Clearing House Association, it being one of the requirements of admission of trust companies to membership that it have a capital of not less than \$1,000,000.

An officer of the company said, however, that the question of entering the Clearing House had not yet been considered by the directors and the proposed increase in the capital had no connection with that subject, but was due to the rapidly growing business of the company. It was possible, he added, that the company might apply for membership in the Clearing House Association should the stockholders vote in favor of increasing the capital stock, but it was too early yet to say what would be done in that direction.

The company, it was announced, intends to abbreviate its present title to Mutual Trust Company.

TOBACCO DECISION SOON

Judges Confer on Plan and Suggestions of Attorney General.

Judges LaCombe, Coxe, Ward and Noyes, of the United States Circuit Court, conferred yesterday on the reorganization plan of the American Tobacco Company and on the conditions suggested by Attorney General Wickersham which should be imposed in accepting the plan. The impression prevailed in well informed circles that a decision in the case would be handed down soon.

Lewis Cass Ledyard, who has acted as chief counsel for the American Tobacco Company in preparing and presenting the plan, said yesterday that there was nothing new in the matter beyond the fact that all parties concerned were waiting for the court's decision. Mr. Ledyard said he did not expect any further conferences, adding that the case had now reached the status of any other legal case that awaited the decision of the court.

As to the possible procedure in the matter Mr. Ledyard said the court would hand down an opinion on the plan and the suggestions offered by the government, and then it might invite briefs from the parties to the action to aid the court in drafting a final decree.

Under ordinary conditions, yesterday was the day on which the directors of the American Tobacco Company would have declared the usual quarterly dividend of 10 per cent on the common stock, but, although the board met, no action was taken on the dividend. This was in line with the statement made by the directors three months ago, when they passed the dividend on the common stock, that no disbursements would be made on that issue pending the approval by the courts of the plan for the reorganization of the company.

In view of this statement, Wall Street had not looked for any dividend action on the common yesterday, but the stock nevertheless suffered a sharp decline on the curb, where it is traded in, dropping from 42 to 41. It rallied two points at the close to 41, a net loss for the day of six points.

SEEKS INCREASE OF CAPITAL

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ORIENT ROAD PUSHING ON

Wants to Raise \$20,000,000 for Construction Work.

The Kansas City, Mexico & Orient Railway Company has filed an application with the Public Utility Commission of Kansas for permission to issue \$20,000,000 of gold notes to provide funds for general construction work in Mexico and Southern Texas. It was said in authoritative quarters yesterday that no steps had yet been taken for placing the issue or any part of it and that this would be sold only to the stockholders of the company for the last four years. The various roads comprising the Underground Electric Railways system carried in 1910 a total of 230,000,000 passengers.

The amalgamation just agreed upon will result in a system comparable in extent with that operated in this city before the Metropolitan and Third Avenue became involved in difficulties.

London Transit Trust

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HENKEL FREE FROM WORRY

Decides Not to Dress for Subpoena Breakfast with Rockefeller

There was one great worry on the mind of William Henkel, United States marshal, yesterday, when, after serving many subpoenas in the government's suit for the dissolution of the Steel Trust, he began to plan his trip this morning to the country home of John D. Rockefeller. The oil king invited him to breakfast and this time the marshal decided to partake of the feast, but though his mind was clear that he would have to wear his festive regalia on the occasion he was worried stiff as to whether they invite you to a meal. But I think I will wear the hat that brings me recognition wherever I go, and I will take a chance that Mr. Rockefeller won't see it as I will leave it in the hall before I go in to have breakfast with him," said the marshal, after having conferred with the man Brummell he could get hold of.

Marshal Henkel served subpoena yesterday on J. P. Morgan, Andrew Carnegie, Charles Steely, James Gayle, Edmund C. Converse, Daniel G. Reid, Norman R. Bean, John D. Rockefeller, Jr., James N. Hill, Elbert H. Gary, the United States Steel Corporation, the Federal Steel Company, the Lake Superior Consolidated Iron Mines and the Union Steel Company.

DEFICIT NOW \$20,000,000

Treasury Ran Behind \$4,000,000 in October.

Washington, Nov. 1.—The government's deficit for the current fiscal year beginning July 1 exceeded \$20,180,000 when the Treasury opened its doors to-day. A year ago the deficit was \$13,000,000, while a month ago it was \$16,000,000. The increase in the deficit in October was due to the fact that the receipts for the month were \$56,000,000, while the disbursements were \$69,000,000, an excess of expenditures over receipts of \$13,000,000. The receipts for September exceeded the expenditures by more than \$22,000.

The general fund at the close of October was \$16,320,000, against \$14,460,000 in September. The working balance at the opening of business today was \$73,620,000, while a month ago it was \$89,150,000. The total sum was \$1,387,150,000, compared with \$1,365,000 at the end of September. The cash and bullion trust fund for the redemption of notes and certificates was \$16,320,000 at the end of October, while at the close of the previous month it was \$16,000,000.

The Panama Canal called for an expenditure of \$3,260,000 in October, making total disbursements for this project in the current fiscal year \$16,325,000.

FORM \$25,000,000 COMPANY.

The Barcelona Company has been organized under the laws of Canada, with a capital of \$25,000,000, and the head office at Toronto. The company proposes to develop water power aggregating more than 20,000 horsepower and will also supply hydro-electric power plants to supply light and power to the City of Barcelona and the entire northeast section of Spain. The company has also acquired one of the tramways in Barcelona, and continues for suburban railways which will be built at once.

The syndicate which will finance these enterprises is headed by Dr. F. S. Pearson, Associated with him is the same which controls the Rio de Janeiro Tramway, Light and Power Company, the Paulo Tramway, Light and Power Company and the Mexico Tramways Company.

AWARD HELL GATE BRIDGE JOB.

The New York, New Haven & Hartford Railroad and the Pennsylvania Railroad companies have awarded the Hell Gate Bridge for the steel work for the Hell Gate Bridge and approach viaducts on their New York Connecting Railroad to the American Bridge Company.

SUNDAY'S NEW-YORK TRIBUNE

Mailed anywhere in the United States for \$2.50 a year.

DISCUSSES GOVERNMENT 28

National Monetary Commission Approved by National City Bank.

Discussing the recent suggestion of Senator Aldrich, in his revised draft of a currency reform plan, as chairman of the National Monetary Commission, that the 2 per cent government bonds shall be exchanged for 3s, the November circular of the National City Bank says:

These bonds (the 2 per cent) are, to the extent of about \$70,000,000, owned by national banks, and this large holding of the low interest bearing bonds is the principal result of the long-standing and persistent rule under which the notes bearing 3s and 5 per cent were exchanged for 2s. The inducement being a lower tax on circulation secured by the higher rate of interest to be paid by the higher interest bearing bonds.

This is a holding which, because of the artificial value given to the bonds by this arrangement, will always be held by the banks just as long as in any plan adopted ultimately for their disposition. On the whole the plan suggested by the chairman of the Monetary Commission is fair to the banks notwithstanding the greater part of the government's interest bearing debt on a 1/2 per cent basis.

Thus the suggestion of a most perplexing problem for which the banks may avoid responsibility, except on premium accounts; the government's net interest payment on the bonds will be left unpaid, and the Reserve Association will instead of carrying the load of the 2 per cent bonds, have 3 per cent notes that may be sold as bonds on their merits as investments.

In this ingenious plan the chairman has suggested a solution of a most perplexing problem for which the banks may avoid responsibility, except on premium accounts; the government's net interest payment on the bonds will be left unpaid, and the Reserve Association will instead of carrying the load of the 2 per cent bonds, have 3 per cent notes that may be sold as bonds on their merits as investments.

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